

Vote Record

Senate Committee on Economic Development, Housing and Government Operations

Date: 3-21-00
 Moved by: Grob Seconded by: Moore
 AB: _____ Clearinghouse Rule: _____
 AB: _____ SB: 408 Appointment: _____
 AJR: _____ SJR: _____ Other: _____
 A: _____ SR: _____

A/S Amdt: _____ to A/S Amdt: _____
 A/S Amdt: _____ to A/S Sub Amdt: _____
 A/S Sub Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____
 A/S Amdt: _____

☒ Be recommended for:
☒ Passage
☐ Introduction
☐ Adoption
☐ Rejection

☐ Indefinite Postponement
☐ Tabling
☐ Concurrence
☐ Nonconcurrence
☐ Confirmation

Committee Member

Sen. Robert Wirch, Chair
 Sen. Gwendolynne Moore
 Sen. Richard Grobschmidt
 Sen. Gary Drzewiecki
 Sen. David Zien

Aye	No	Absent	Not Voting
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: _____

☐ Motion Carried

☐ Motion Failed

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3/24/00

BILL NO. SB 408

or

SUBJECT _____

Rep. Jeff Pate
(NAME)

(Street Address or Route Number)

21st AD
(City and Zip Code)

(Representing)

Speaking in Favor: ☒

Speaking Against: ☐

Registering in Favor:
but not speaking: ☐

Registering Against:
but not speaking: ☐

Speaking for information
only; Neither for nor against: ☐

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O.Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3/24/00

BILL NO. 408

or

SUBJECT _____

ROBERT KUFERN
(NAME)

8640 S. HOWELL AVE
(Street Address or Route Number)

OAK CREEK, WI 53154
(City and Zip Code)

CITY OF OAK CREEK
(Representing)

Speaking in Favor: ☒

Speaking Against: ☐

Registering in Favor:
but not speaking: ☐

Registering Against:
but not speaking: ☐

Speaking for information
only; Neither for nor against: ☐

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Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3/21/00

BILL NO. S 408

OR

SUBJECT _____

PAUL MILEWSKI
(NAME)

9755 S. VERONICA DR.
(Street Address or Route Number)

OAK CREEK 53154
(City and Zip Code)

CITY OF OAK CREEK
(Representing)

Speaking in Favor: ☒

Speaking Against: ☐

Registering in Favor:
but not speaking: ☐

Registering Against:
but not speaking: ☐

Speaking for information
only; Neither for nor against: ☐

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Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 3-21-2002

BILL NO. SB-408

OR

SUBJECT _____

Senator
Richard Grohschmidt
(NAME)

(Street Address or Route Number)

711 Sen Jaffe
(City and Zip Code)
(Representing)

Speaking in Favor: ☒

Speaking Against: ☐

Registering in Favor:
but not speaking: ☐

Registering Against:
but not speaking: ☐

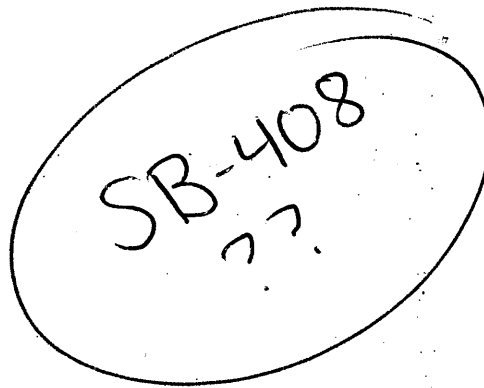
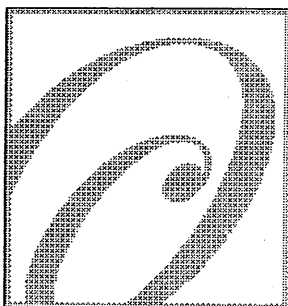
Speaking for information
only; Neither for nor against: ☐

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Oak Creek



TAX INCREMENT FINANCING

IN THE

CITY OF OAK CREEK

March 21, 2000

TAX INCREMENT FINANCING IN THE CITY OF OAK CREEK

The City of Oak Creek first utilized the tax increment financing (TIF) program in 1980. This legislation was made available in the State Statutes as a local economic development tool, which many communities embraced as a means of competing with programs that other states allow to attract and encourage new development. The City's first TIF district was one of those that were labeled a "super" district. Yes it was large, but it did what it was intended to do. This district was dissolved in 1994, well ahead of its allowable life expectancy. During its 14-year existence, it generated approximately \$120 million in new tax base. Initially it was for the City to pay off the debt incurred, but then this same tax base increase became available for all other taxing jurisdictions in the City.

Within the past three (3) years, the City has created three (3) additional TIF districts and have another pending. All of these are for smaller specific industrial and business park developments that needed some assistance to make it happen. TIF District No. 2 has had four (4) new industrial buildings and one large addition constructed since it was created, which has generated approximately \$7 million in additional tax base. TIF District No. 3 is comprised of lands owned by the City of Oak Creek and some privately-owned land. As of today, all available City-owned parcels in the development have accepted offers on them, as well as on the privately-owned land. TIF District No. 4 will just be starting the improvement installation this spring and several companies have already expressed an interest in it. TIF District No. 5 has yet to be approved, but a decision will be made on it within the next 60 days. Interest has also been expressed by industrial users in the sites it would have to offer.

That brings us to reason for this proposed legislation. To best explain the situation that the City of Oak Creek finds itself in, a little historical perspective needs to be introduced. The City of Oak Creek is in the southeast corner of Milwaukee County and has approximately 3.5 miles of shoreline along Lake Michigan. At the north end of this stretch is the Milwaukee Metropolitan Sewerage District's South Shore Sewage Treatment Plant and at the south end is Wisconsin Electric Power Company's Oak Creek Power Plant. In the middle is approximately 300 acres of land owned by Milwaukee County, which has a little over one mile of the City's shoreline. This is Bender Park. A park site that was acquired by Milwaukee County more than 30 years ago to be developed as one of their major county parks. To date the County has developed an overall plan for the park and has constructed shoreline protection and bank stabilization facilities to protect the park site, which experienced some of the worst shoreline erosion in Milwaukee County. In addition, they just recently completed a waterfront park consisting of a small boat harbor, boat launch facilities and parking lot. For these facilities and improvements, the County has already spent approximately \$12 million. The remaining two phases of development are an 18-hole golf course and an upland park area, which could cost another \$14 million, depending upon the County's choice of the type of course and who develops it.

Just to the north and adjacent to the park site are the remains of the oldest evidence of urbanization in the City, the former company town of Carrollville and the adjacent industries. Several industries started their operation in this part of the then Town of Oak

Creek over a hundred years ago, which predates the City's incorporation in 1955 by decades. Of the industries that started there, and their successor companies, just a couple remain. The sites of some of the former industries, as well as some of the vacant sites, are what could be called "brownfields". Some of these properties together include approximately three-quarters of a mile of Lake Michigan shoreline. Several other larger properties to the west and south of Bender Park are vacant, lack any significant natural resources and have potential for development.

This potential exists not only on these vacant lands, but also on the lands that could be redeveloped. The key to the realization of this potential is the County's completion of Bender Park. The City views the park as the catalyst that will cause the adjacent development to occur. The City felt so strongly on this issue that in its current comprehensive plan update, which will be one of the first completed under the new "Smart Growth" legislation, the City required its consultant, Vandewalle & Associates, to prepare a more detailed plan for this part of the City. This detailed plan called Lakeview Village graphically depicts the City's vision for the area and a realization of its potential. A rough estimate of the value of this potential development is placed at more than \$400 million. It would be development that is compatible with being adjacent to a major county park and a Great Lake.

Over the years very little development has taken place in this part of the City for a couple reasons; lack of interest and lack of utilities, especially sanitary sewer. There now appears to be an interest, but the cost of the public infrastructure is still a hurdle. In order

to cause this development to take place, a sanitary sewer interceptor needs to be extended into this area, water main extensions and the reconstruction of several streets is also required. The total cost of this public infrastructure work by the City is estimated at \$5-6 million. This would appear to be the perfect situation to utilize a Tax Increment Financing (TIF) district.

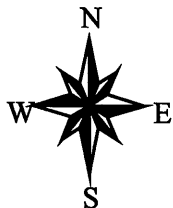
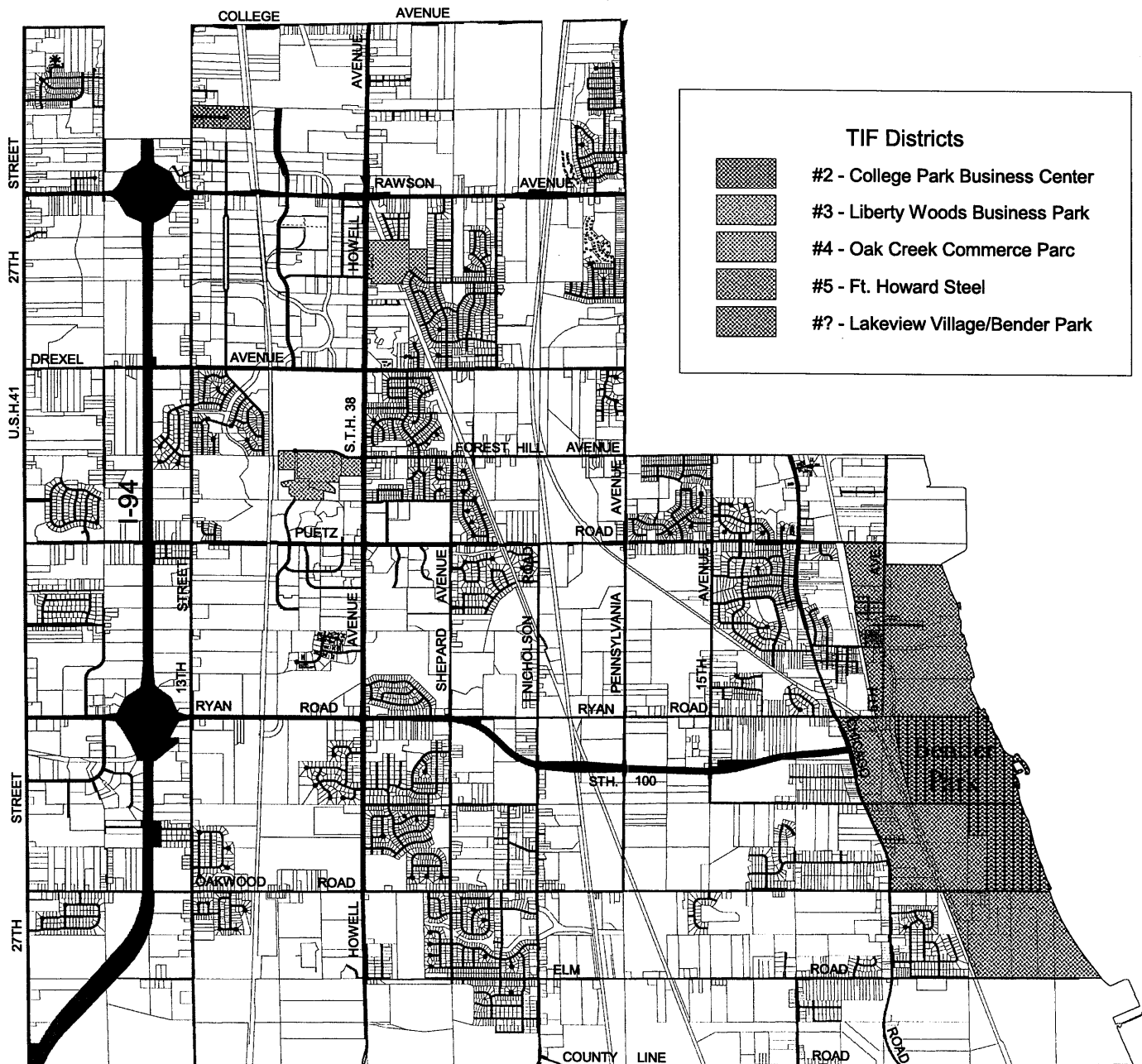
As good as this situation sounds, the current TIF legislation appears to prevent the City from implementing its plan. The current legislation describes the several situations, which are eligible for inclusion in a TIF district; they are that at least 50% of the area of the district must be either, blighted, in need of rehabilitation or conservation work or is suitable for industrial sites. Since industrial use is not in the City's plans for this part of the City, the last criteria would not be applicable. Some of the existing development in the area may be in need of rehabilitation, but those that do are the existing industrial buildings, which again are not a part of the City's plans. That leaves the blighted properties. Even though the statutory definition of "blighted" is fairly broad, it limits the properties that could be included in a TIF district. Another limiting factor on the creation of a TIF district in this area is the restriction on the amount of vacant land that can be included in a TIF district. The legislation indicates that property standing vacant for an entire 7-year period immediately preceding the creation of a TIF district may not comprise more than 25% of the area of the TIF district, unless the TIF district is suitable for industrial sites. Again since the City is not interested in industry in this area, the 25% limitation prevents the inclusion of enough developable land to generate sufficient tax increment to pay for the costs of the public infrastructure that is helping to create this

potential. Finally, the current TIF legislation prevents a project plan from including any project costs that would be incurred for newly platted subdivisions. As indicated earlier, the City is not interested in more industry in this part of the City, so the land uses shown on the proposed Lakeview Village plan are primarily residential and commercial, with some open space uses to preserve and protect existing natural resource features. It was felt that residential uses, primarily upscale, high-density developments, and commercial uses, to service the residents and visitors to the park, would be the most compatible uses to be developed adjacent to Bender Park and Lake Michigan.

The proposed TIF legislative amendment, as set forth in Senate Bill 408, addresses the City's concerns in a way that is more feasible and financially sound than other possible alternatives. The amendment basically exempts the City from these requirements, specified above, on a TIF district created prior to January 1, 2002. The amendment addresses specific problems for a specific municipality that is attempting to stimulate and eventually realize some local economic development potential that was the cornerstone of the initial TIF legislation. This type of specific TIF legislation is not unique to Oak Creek. It has been done several times before for municipalities that have a unique opportunity to improve their community, but need the State's assistance in making it happen. This vacant and underdeveloped land along the Oak Creek shoreline of Lake Michigan is unique in Milwaukee County. There is no other site like it in the County. It is an opportunity that, if realized, will not only benefit the City of Oak Creek now and in the future, but will also be a financial asset to Milwaukee County and the State of Wisconsin.

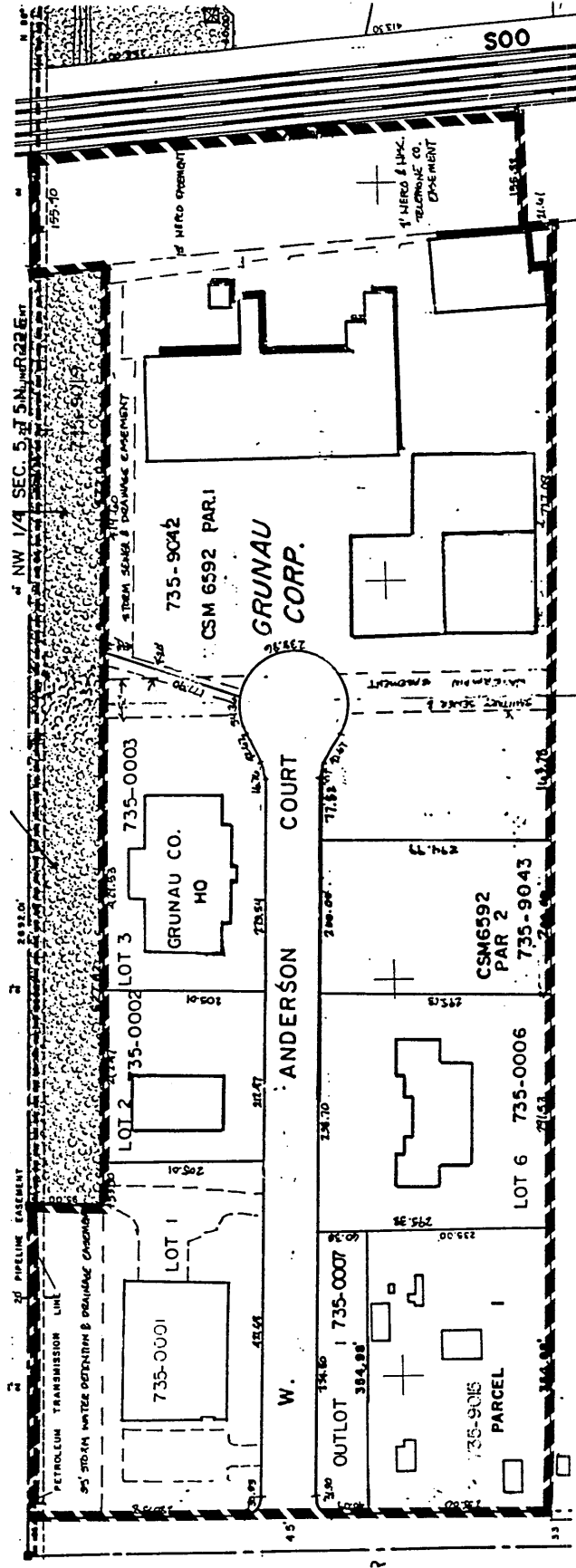


Tax Increment Financing Districts (TIF) in the City of Oak Creek



0 3000 6000 Feet

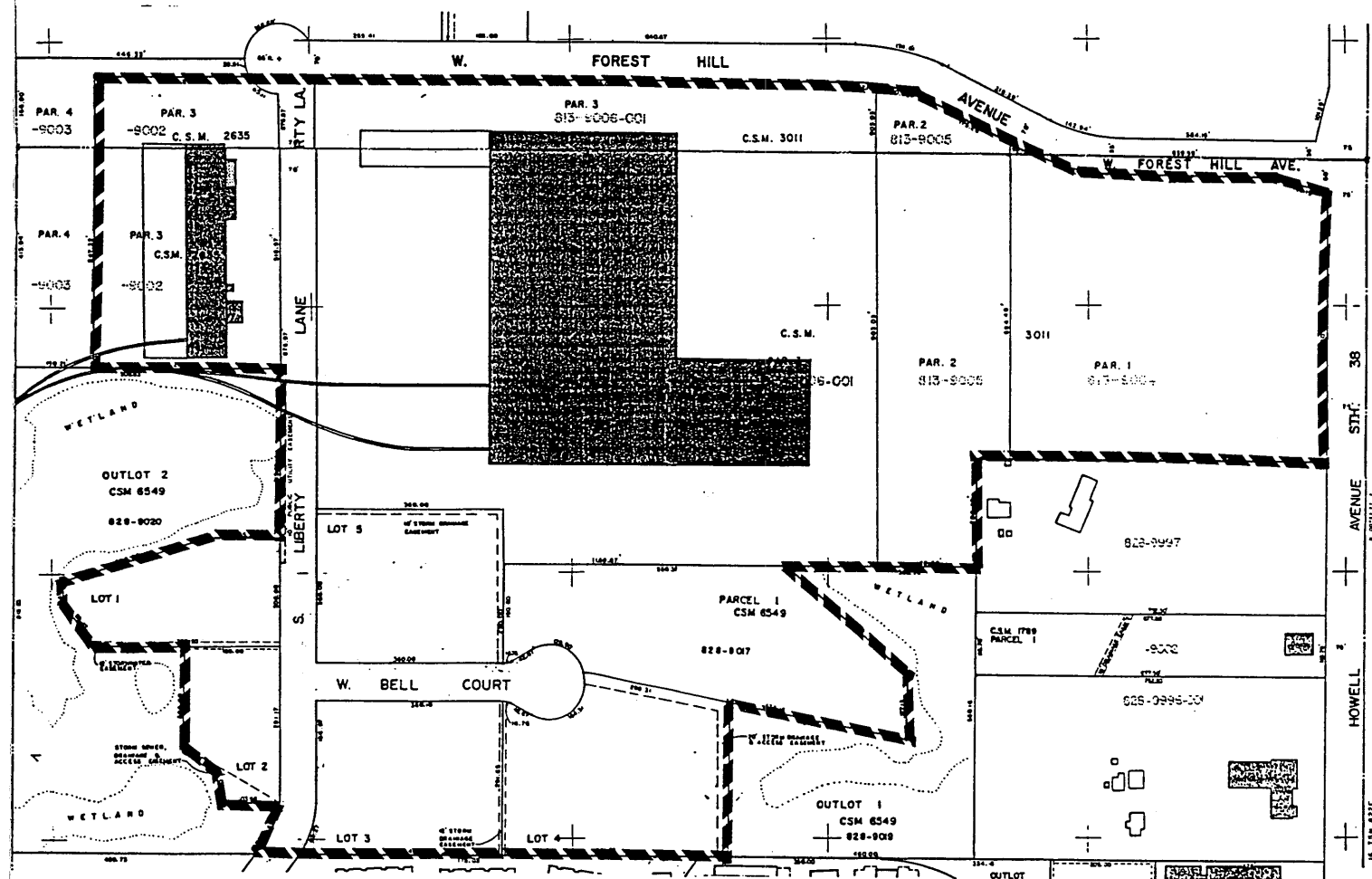
TIF DISTRICT NO. 2



AREA: 23 AC.
 BASE VALUE: \$ 2,198,500
 PROJECTED IMPROVEMENTS: \$ 6,600,000
 PROJECTED PAYBACK PERIOD: 5 YEARS

	Interest Payment	Principal Payment	Total Cost	Expected Increment	Actual Increment
Benchmark Year 1998				0	0
1999				2,950,000	3,430,400
Long Term Bond @ 4.51%					
2000	39,454	30,000	69,454	5,650,000	5,573,100
2001	36,575	100,000	136,575	6,600,000	
2002	32,475	100,000	132,475	6,600,000	
2003	28,275	100,000	128,275	6,600,000	
2004	23,975	100,000	123,975	6,600,000	
2005	19,575	125,000	144,575	6,600,000	
2006	13,950	150,000	163,950	6,600,000	
2007	7,050	150,000	157,050	6,600,000	
Total	\$201,329	\$855,000	\$1,056,329		

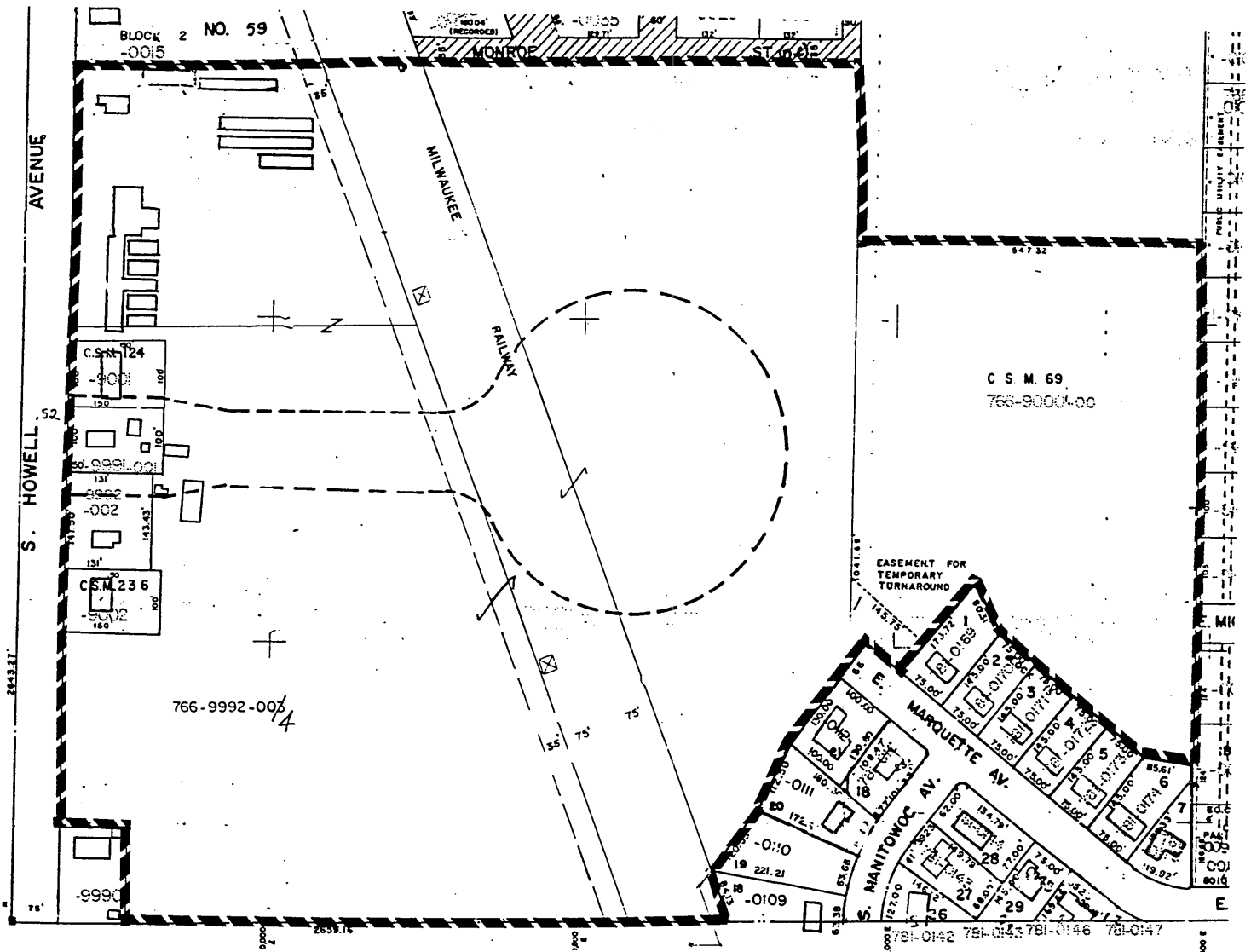
TIF DISTRICT NO. 3



AREA: 32 AC.
BASE VALUE: \$ 8,235,600
PROJECTED IMPROVEMENTS: \$9,175,800
PROJECTED PAYBACK PERIOD: <10

	Interest Payment	Principal Payment	Total Cost	Expected Increment	Actual Increment
Benchmark Year 1999				0	0
Bond Anticipation Note @ 3.7%					
2000	72,150	0	72,150	255,150	295,800
2001	24,050	1,300,000	1,324,050	2,211,300	
Total	\$96,200	\$1,300,000	\$1,396,200	4,167,450	
Long Term Bond @ 4.77%					
2002	92,448	25,000	117,448	6,124,500	
2003	58,628	110,000	168,628	7,831,500	
2004	53,210	140,000	193,210	7,988,100	
2005	46,868	145,000	191,868	8,147,900	
2006	40,040	155,000	195,040	8,312,900	
2007	32,715	160,000	192,715	8,477,100	
2008	24,875	170,000	194,875	8,646,600	
2009	15,773	205,000	220,773	8,819,500	
2010	5,375	215,000	220,375	8,995,900	
Total	\$369,930	\$1,325,000	\$1,694,930		

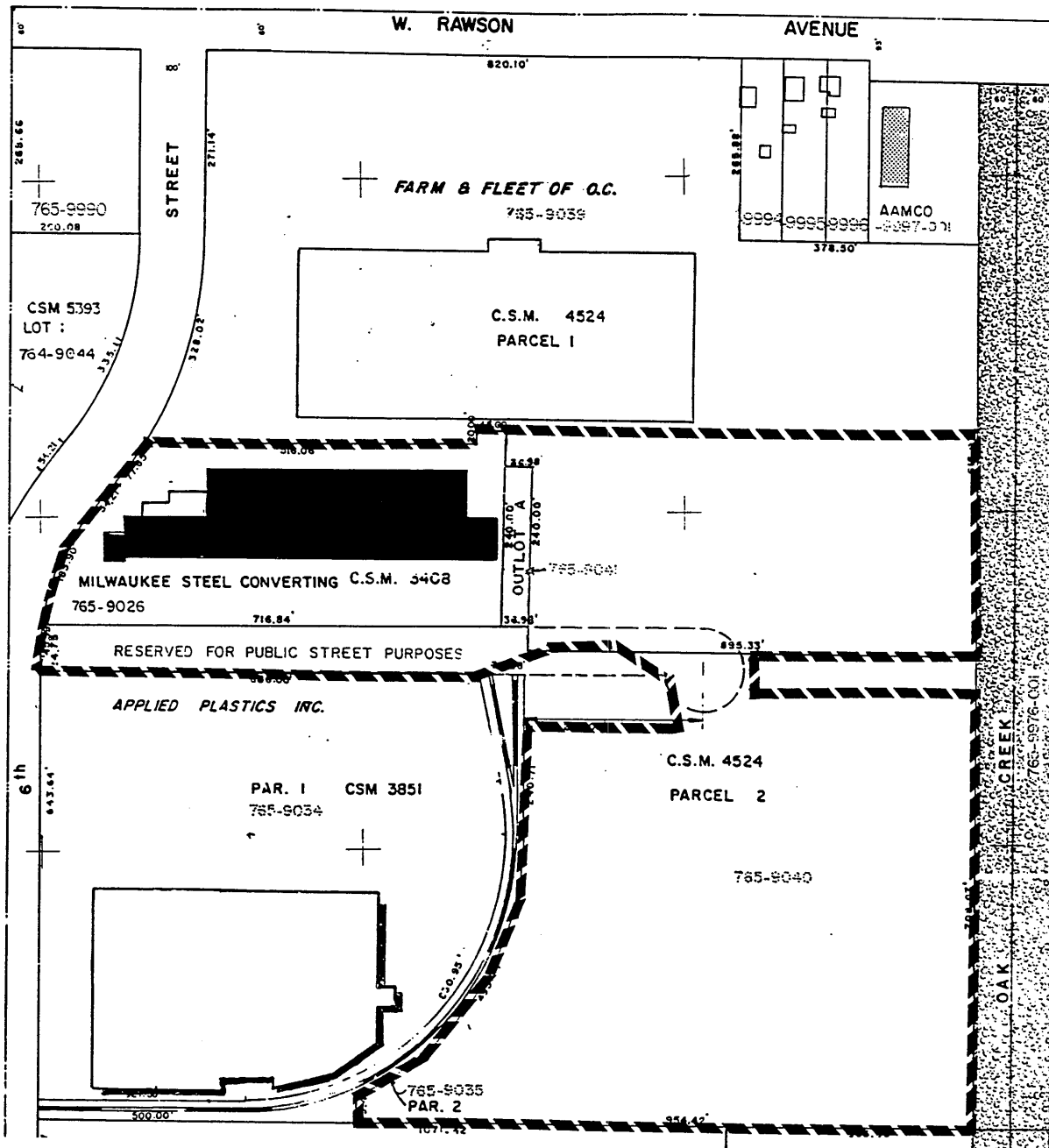
TIF DISTRICT NO. 4



AREA: 38 AC.
BASE VALUE: \$ 639,100
PROJECTED IMPROVEMENTS: \$ 13,990,000
PROJECTED PAYBACK PERIOD: 9 YEARS

	Interest Payment	Principal Payment	Total Cost	Expected Increment	Actual Increment
Benchmark Year 1999				0	0
Long Term Bond @ 4.6081%					
2000	97,864	0	97,864	705,050	
2001	93,700	0	93,700	6,151,891	
2002	93,700	25,000	118,700	9,842,935	
2003	92,638	200,000	292,638	14,289,345	
2004	84,038	300,000	384,038	14,514,951	
2005	70,838	350,000	420,838	14,749,941	
2006	55,088	350,000	405,088	14,976,366	
2007	38,988	400,000	438,988	15,212,277	
2008	20,188	425,000	445,188	15,451,727	
Total	\$647,039	\$2,050,000	\$2,697,039		

PROPOSED TIF DISTRICT NO. 5



AREA: 24 AC.
 BASE VALUE: Approx. \$1.5 million
 PROJECTED IMPROVEMENTS: \$ 8,500,000
 PROJECTED PAYBACK PERIOD: 8 YEARS

This is a detailed street map of the South Shore area in Chicago. The map shows a grid of streets, including major thoroughfares like S. Halsted St. and S. Michigan St. Key landmarks and parks are labeled, such as the South Shore Treatment Plant, Bender Park, and Wepeco Power Plant. The map also shows various residential streets, schools, and other local facilities. A north arrow is located in the upper right corner of the map.

Lakeview Village--Oak Creek, Wisconsin

A

Development
Plan for
Oak Creek's
Lakeshore



SB-408
??

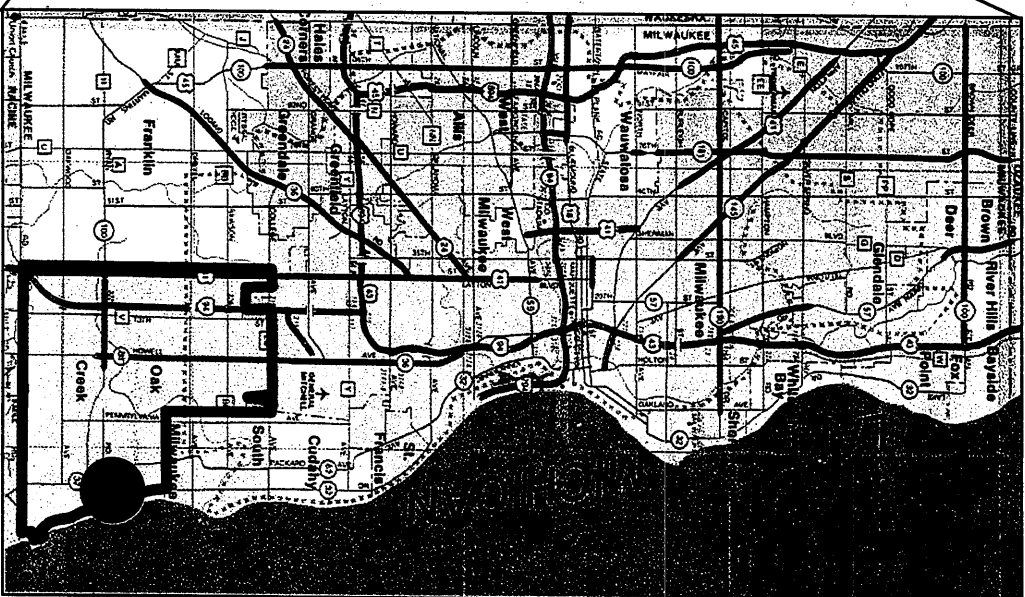
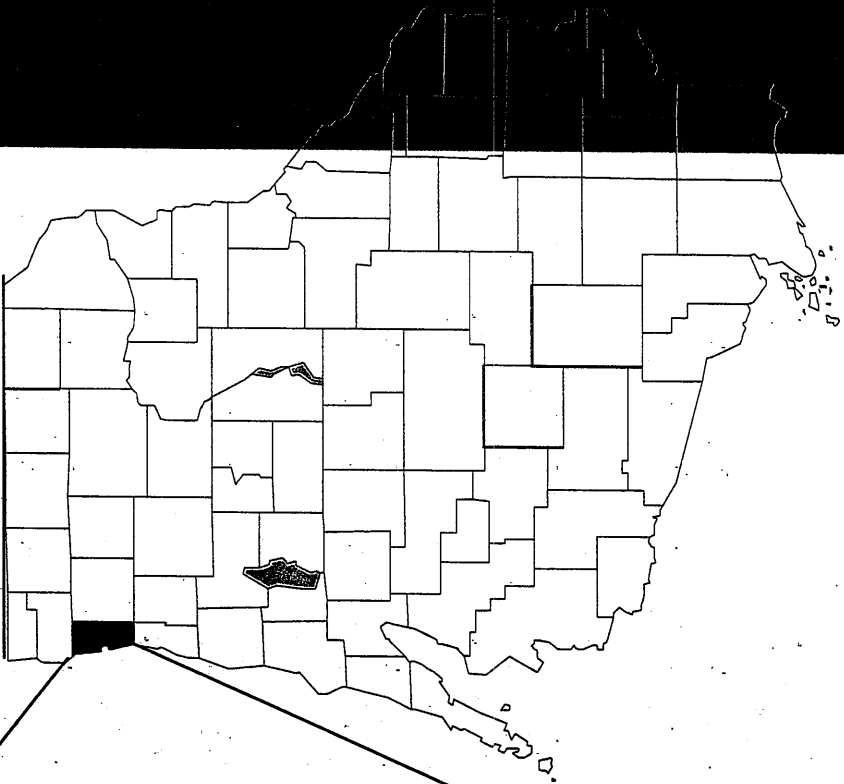


Introduction

In early 1999, the City of Oak Creek prepared a presentation on the development potential that exists in the Carrollville area and other lands surrounding Bender Park located on the east side of the City along the Lake Michigan shoreline. That presentation spoke in generalities about this potential in three(3) separate locations within this general area. This presentation, however, is only concentrating on one of these locations, north of Bender Park, which is the "Lakeview Village" area.



Location--The Lakeshore in Milwaukee County



Background

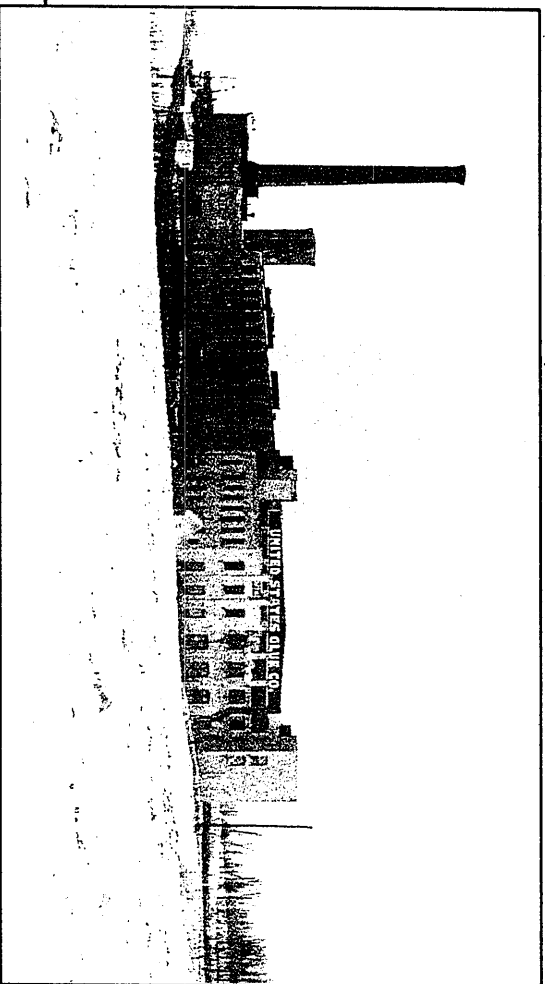
In order to better understand and appreciate some of the later discussions and recommendations, it is important to understand a little more of the history of this part of the City. This area is where the City of Oak Creek first developed an urban setting that is so commonplace today.

Around the turn of the century, some of Milwaukee's more objectionable businesses decided to move out into the "country". Here they could operate without the objections of the neighbors.



Historical Setting--Lakeshore Industry

Industry moved in
near the start of
the 20th century...



- Inexpensive land
- Lakeshore frontage
- Proximity to Milwaukee
- Interurban & freight rail service

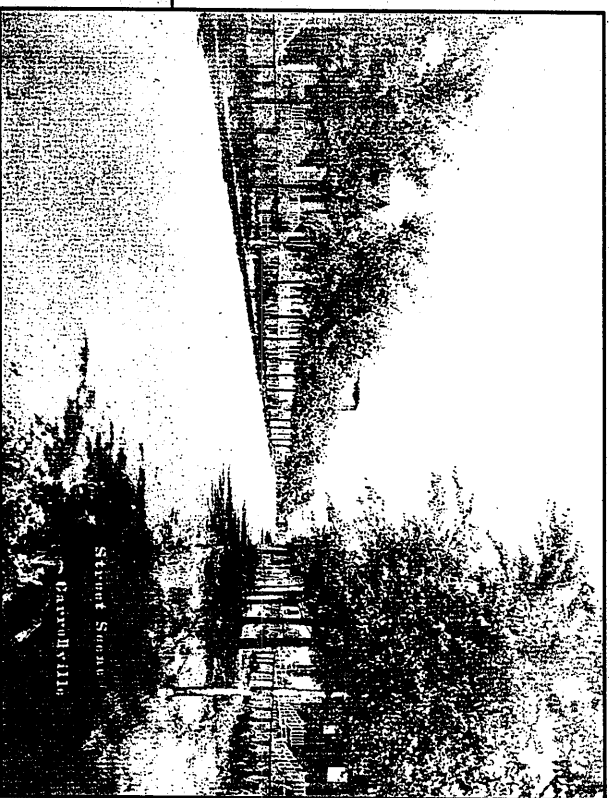
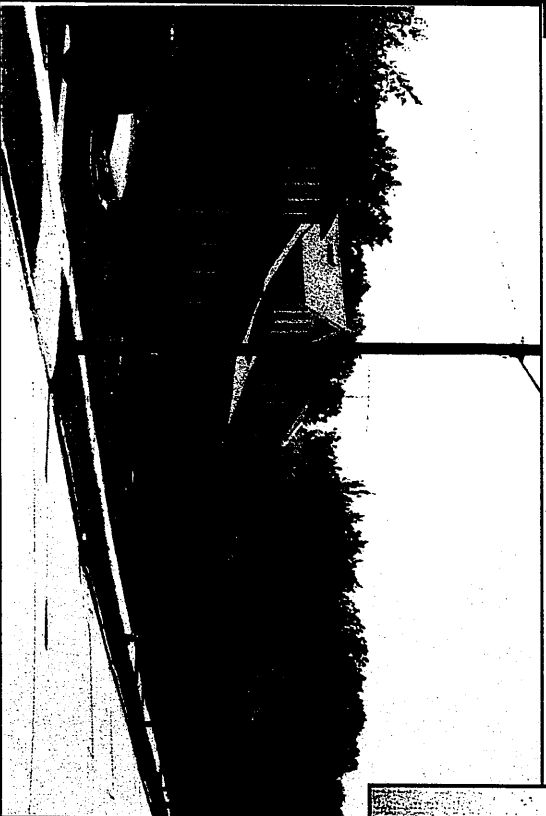
Company Town

While the “country” setting in Oak Creek gave the industries the isolation they desired, it also presented them with a problem. How do the employees get to work out in the “country”? To address this issue, one of the companies decided to build housing for their employees across the street from the factory. Thus Carrollville was born.



Historical Setting--Carrollville Neighborhood

A “company town” built
near the start of the 20th
Century...



...small lot, single family
housing remains today.

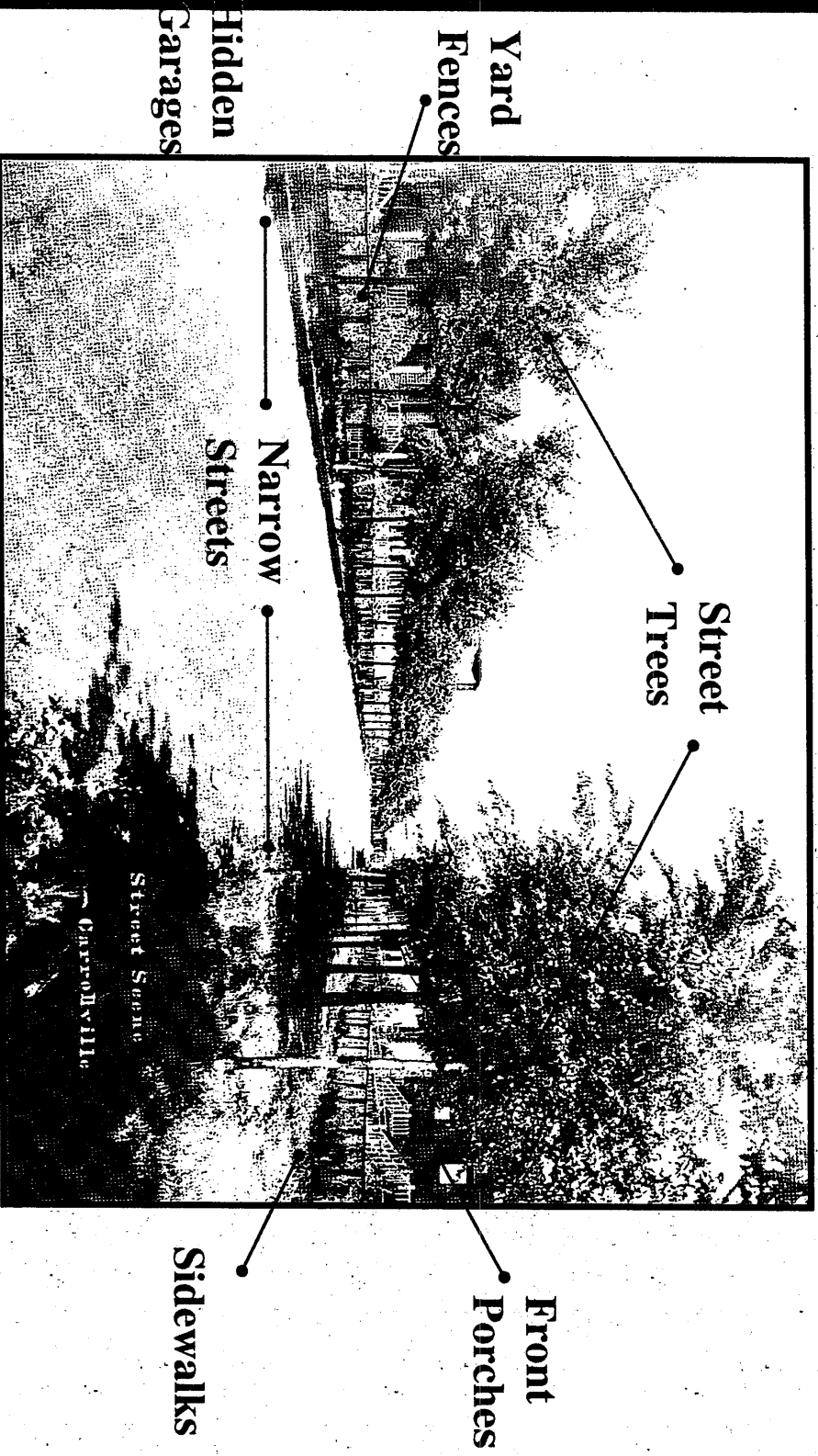


Carrollville's Mistique

The streets of Carrollville were very resident-friendly. They contained the elements of what today is being touted as “traditional neighborhood” development.



Character of Historic Carrollville



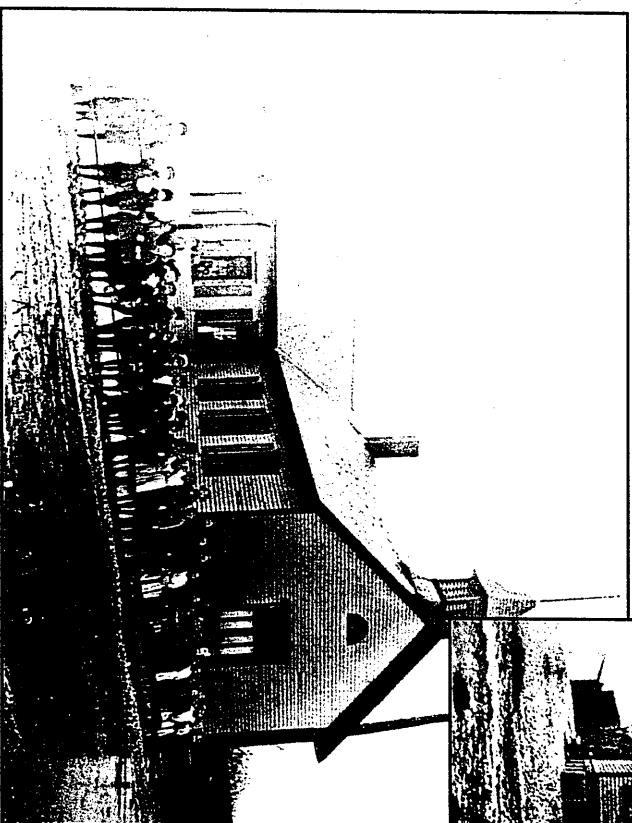
City in the Country

This “company town” not only provided housing, but it provided all other aspects of city living that the employees may have been used to, if they lived in Milwaukee, or other urban areas, before moving out to Carrollville.



Oak Creek's original mixed-use neighborhood...

People lived,
worked, shopped,
worshipped,...



...learned, played, and
raised families in the
Carrollville area.



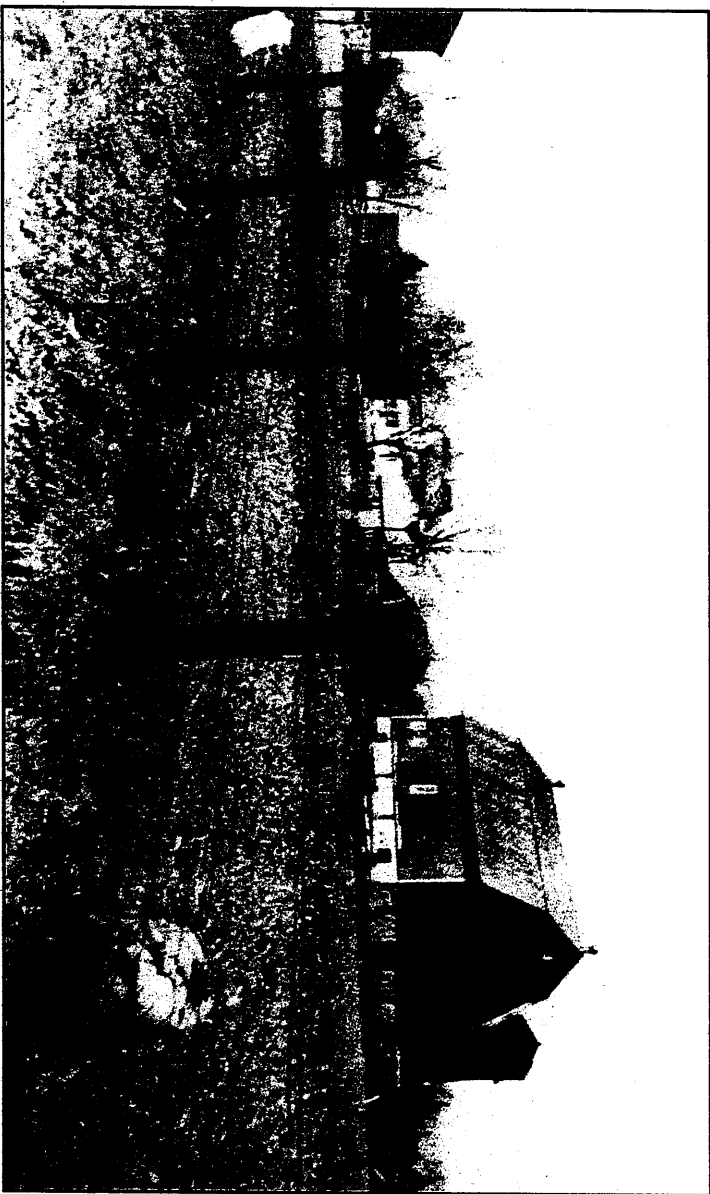
Carrollville's Environs

While Carrollville was thriving as a “company town”, the area surrounding it was still a very agricultural area. These areas and those developed properties that have outlived their usefulness, are the future of Carrollville.



Historical Setting--Farming

Most of the rest of the area around Carrollville was farmed.

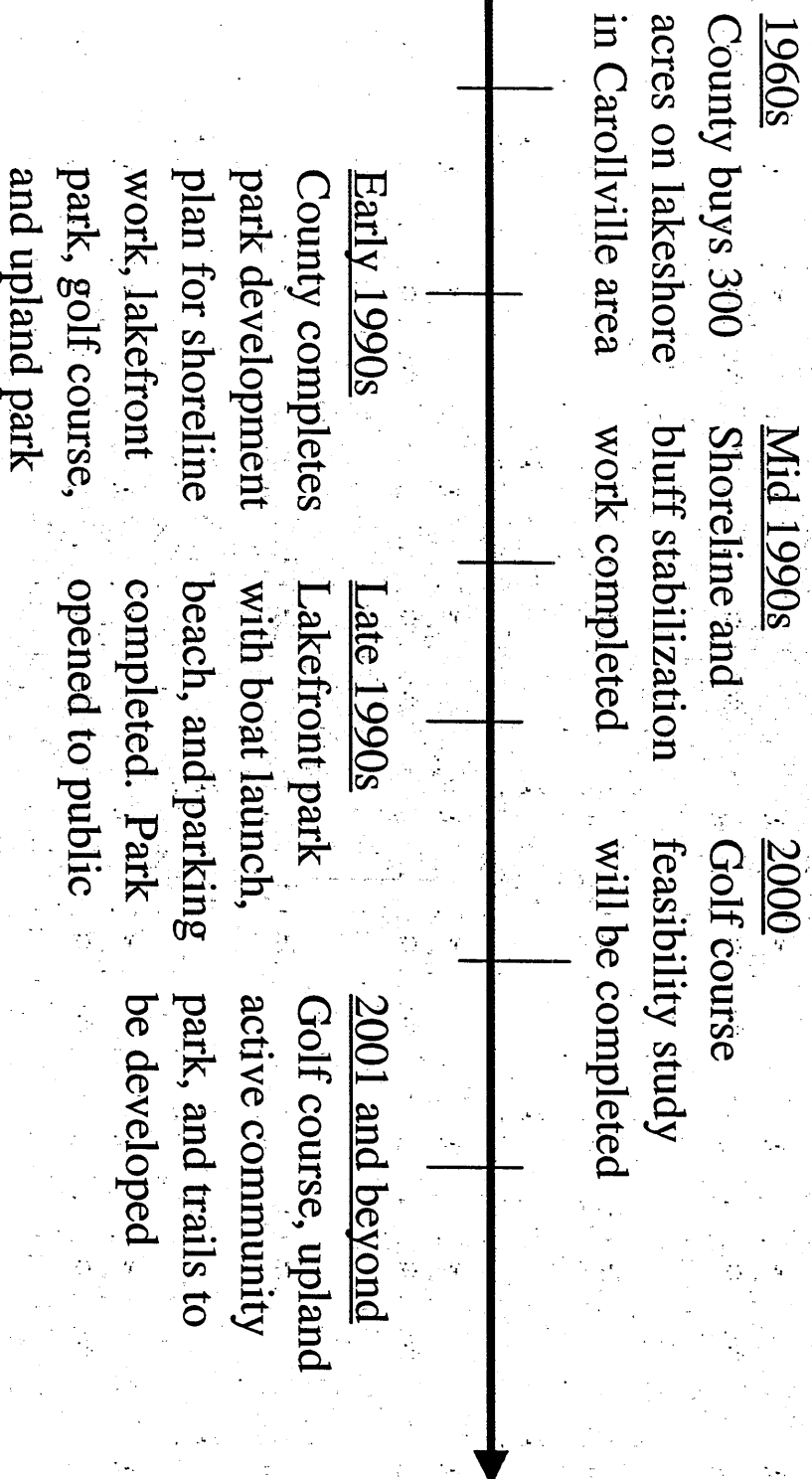


Timeline for Bender Park

Several of these vacant properties, which have not changed all that much from the early days of Carrollville, are those that comprise the County park site known as Bender Park. This park site has had a slow evolution, but is now picking up steam toward being the development catalyst for the east side of the City of Oak Creek.



Evolution of Bender Park



Bender Park's Development

This County-owned regional park, known as Bender Park, is planned to have a full array of recreational facilities available to the public. What is unique about Bender Park is that it is on the shore of Lake Michigan and that it could be developed with a championship-style golf course; a situation that is not readily available to all metropolitan areas.

